



COUNCILMEMBER DAVID ALVAREZ

**City of San Diego
Eighth District**

MEMORANDUM

DATE: January 27, 2012

TO: Honorable Councilmembers

FROM: Councilmember David Alvarez, Chair, Natural Resources & Culture Committee

SUBJECT: 2012 Natural Resources and Culture Priorities

As Chair of the Natural Resources and Culture Committee I look forward to discussing and implementing a number of important issues in 2012. Among those are the following topics:

Water Rates

- The Committee should work to create a more equitable water rate system that would promote conservation at the residential, industrial, commercial, and municipal levels. Actions would include development of a conservation-oriented tiered water rate structure for single-family residential customers.
- When considering any rate case the Committee should prioritize accountability and transparency. It is also appropriate for the Committee to examine an enhanced role for the Independent Rates Oversight Committee (IROC) in this process.
- Update on Cost of Service Study

Water and Wastewater Facilities

- Based on actions and updates before the Committee in 2011, the following discussions and actions are appropriate follow-up measures:
 - Emergency preparedness for water and wastewater systems, including back-up generation
 - Development of comprehensive long-term watershed management for flood control

in at-risk areas

- Update on the Master Storm Water System Maintenance Program and review options for implementation

Performance Audit of the Public Utility Department Capital Improvement Program

- In 2011 the City Auditor released a performance audit of the Public Utility Department's Capital Improvement Program. Included in the audit were a number of recommendations that the Department and the City Council agreed should be implemented. As such I believe that this committee should review and track implementation of City Auditor recommendations from the Public Utilities CIP Audit throughout the next year.

Smart Water Systems for the 21st Century Pilot Project

- The City loses approximately 9% of the water it purchases in its delivery system due to water leakage. At the November 9, 2011, NR&C meeting, the Committee supported initiating a pilot program to test new technology that may enable the City to better track and predict water leaks in our city system- at no cost to the City. Sometime this Spring the Committee will see the results of whether this is a system that could work to help the City save water- and help the taxpayers save money. I look forward to seeing the results of the study and considering this project.

Water Reuse

- This Committee should take the following actions to complement and further City efforts to implement water reuse:
 - Receive the 2012 Recycled Water Study and analyze how best to implement the Study recommendations
 - Continue to docket Indirect Potable Reuse (IPR) updates
 - Prepare for the results of the Water Purification Demonstration Project

Solar and Energy Efficiency

- The Committee should support and review ways to invest in solar technology throughout the City including, but not limited to:
 - Reviewing potential solar policy efforts under the Climate Action Plan implementation efforts
 - Facilitating partnership efforts that allow solar and efficiency programs to continue on Housing Commission owned or operated facilities
 - Providing updates on the Property Assessed Clean Energy (PACE) program and other clean energy programs available to San Diego residents
 - Continued monitoring of potential rate changes by SDG&E that impact solar users

Climate Action Plan Implementation

- The 2011 Climate Mitigation and Adaptation Plan (CMAP) is a City effort to provide options for both city operations and the community to reduce greenhouse gas emissions and to begin to evaluate vulnerabilities in the community and outline adaptation strategies. Implementation actions should center on the following areas:

- Existing buildings
- Solar
- Water
- Food
- Transportation

Golf Operations 5 Year Business Plan Update

- Last year the Parks and Recreation Department updated the Committee on the status of a new 5-year business plan for municipal golf course operations in the City. Throughout 2011 staff and the community have worked together to develop the new Golf Division Business Plan, which will be considered by this Committee in 2012. I look forward to discussing and implementing an updated 5-year plan.

Arts and Culture

- The arts are an important civic resource that enrich people's lives and beautify our neighborhoods. As such I believe the following topics should be considered by this Committee in 2012:
 - Continue planning for the Balboa Park Centennial Celebration through regular updates from the 2015 Balboa Park Celebration Host Committee
 - Citywide Arts Update, including a review of the Public Art Program

I look forward to chairing the NR&C Committee in 2012 and working with each committee member on their priorities to ensure our ongoing commitment to protection and oversight of our precious natural and cultural resources throughout San Diego.

CC: Honorable Mayor Sanders
 Honorable Jan Goldsmith, City Attorney
 Andrea Tevlin, Independent Budget Analyst

DA/ks



COUNCILMEMBER DAVID ALVAREZ

City of San Diego

Eighth District

MEMORANDUM

DATE: January 27, 2012

TO: Councilmember Todd Gloria, Chair, Budget and Finance Committee

FROM: Councilmember David Alvarez

SUBJECT: Response to Request for Questions Regarding the Mayor's proposed CIP Streamlining and Transparency proposal

In response to your request of January 25, 2012, the following is a list of outstanding issues related to the Mayor's proposed CIP Streamlining and Transparency proposal. Please note at the outset that I fully support the incorporation of all of the Independent Budget Analyst (IBA) recommendations set forth in IBA Report 12-04 (January 23, 2012). I strongly suggest the Department include a sunset provision as described in the Report.

I have also received a copy of the Center for Policy Initiatives January 27, 2012 letter, addressed to all Budget and Finance Committee members, laying out its concerns and ideas for this proposal. I request the Public Works Department (Department) also respond to these questions within your specified timeline.

Information Provided To Council

1. How will the Department provide detailed information to the City Council during the CIP Budget process? For instance, street resurfacing has typically been a budget item where the particular street segments have not been identified prior to the budget approval.

2. Specifically, what information will be provided to Council during the 'more robust budget process'? What does a 'high-level full report' mean?
3. Please provide an example of the summarized list of projects proposed to be included in the Annual CIP budget document provided to Council.
4. What is the Department's opinion of the potential for developing a 5-year CIP plan to give context for the Council to make an informed decision regarding the annual budget? What progress has been made, if any, towards that goal?
5. What have been the current obstacles to providing the 'high level full report'? How does the Department expect to overcome these hurdles under the streamlining proposal?
6. How would Consultant agreements for Public Works Projects be presented in annual budget documents?
7. How does this streamlining proposal fit in with prioritization efforts? Does the Department have plans to provide Council with a prioritized CIP budget by district?
8. In the FY 12 budget there are significant disparities in the amount of money spent on CIP projects across council districts. In the case of non-citywide non-public utilities projects, Districts 3, 4, 5, 7, and 8 combined received less money than district 1. Please explain how this disparity will be addressed through the streamlining proposal.
9. At the January 25, 2012 Budget and Finance Committee meeting, the City Attorney confirmed that the Council does have the authority to pull projects from the summarized project list for final approval prior to awarding the contract. Given that authority, what is the specific process to accomplish this? How, and when, would the projects come back to Council if they were pulled?
10. How will pending operating budget impacts and their effect on the CIP Budget be relayed to Council if the only approval timeframe is once a year?
11. How will Council be notified of Change Orders and Job Order Tasks?
12. How does the proposal address deferred maintenance? Does the Department concur that linking such maintenance with the capital project process would give Council a true picture of the state of the CIP?

Multiple Award Construction Contracts (MACC) Process

13. Testimony at the January 25, 2012 Budget hearing seemed to suggest that a set group of organizations were consulted by the Department to craft the MACC proposal. Please confirm which groups or individuals the Department met with.
14. Much of the discussion and testimony at the January 25, 2012 Budget and Finance Committee meeting centered on the proposal for the inclusion of a MACC process within the proposal. Given this discussion and the IBA's Report, how would the Department structure MACC to address the concerns voiced at the meeting?
15. What is the potential impact of the MACC proposal on the Small Local Business Enterprise (SLBE) Program?
16. How will the MACC program address federal restrictions on quotas?

Land Development Code Amendments

17. Please summarize why the Land Development Code amendments are not moving forward with the other recommendations. What is the timeline for those amendments? I strongly suggest that if the amendments are to move forward, they are heard in the Land Use and Housing Committee as part of the vetting process.

Threshold Increases

18. What was the Department's methodology in selecting the \$30 million figure? Please include in the response how any potential trade-off between public involvement/transparency and cost or time savings was determined
19. Is a cost threshold the most useful proxy for public interest, or do some lower cost projects potentially engender more public discussion?

Transparency and Community Outreach

20. Please provide a detailed community outreach plan, including organizations or individuals to be contacted, should this proposal move forward.
21. Please provide an implementation timeline for the CIP Transparency measures.
22. The IBA's recommendation was to have the transparency measures implemented concurrently or before other changes. Does the Department accept this recommendation. If not, why will the measures be delayed?
23. How would the website and other transparency measures fit into planned or existing IT/SAP software interface enhancements?
24. Reducing Council oversight to the annual CIP Budget approval process necessarily puts more discretion and authority in the hands of unelected officials who would decide specific contract awards. How would the Department achieve transparency and accountability for those transactions? Please provide thoughts on whether a disclosure process (either stand alone or linked with existing procedures such as the Lobbying Ordinance) would be appropriate and sufficient to address this issue.
25. At the January 25, 2012 Budget and Finance Committee hearing, Mr. Heinrichs referred to time and cost savings that would be realized by implementation of this proposal. A specific figure of 'at least 3 months' was suggested as a minimum time savings. What are the expected cost savings if the streamlining mechanisms are implemented?
26. I have requested at two Land Use & Housing Committee meetings to be provided with the OCI data. Please provide this data.

Specific Suggested Changes to Municipal Code and Council Policy

27. On page 65 of the report (Exhibit D), Section 22.3201 states that: "This Division establishes requirements for award of contracts other than public works contracts." Please confirm that

these changes are related to CIP and public works specifically, or whether they apply to all contracts for services, goods and consultants.

28. On page 72, (Exhibit D) Section 22.3224, Contractor Standards, is being deleted. This section of the Municipal Code establishes contractor standards, sets forth what happens if the contractor violates the law, and allows that if a contractor is deemed non-responsible they may request a public hearing before the Budget Committee, and makes the determination of the City Council the final administrative remedy. Is this language being moved to another part of the Municipal Code or just being deleted? If it is being deleted please provide the rationale for such a decision.
29. Are there any changes, additions, and/or deletions to the Municipal Code or City Council Policy suggested by this proposal that are not directly related to the Public Works Contracts? Examples would include authorizing additional mayoral and/or department authority, changing any current approval thresholds, eliminating existing language, reducing/eliminating public hearings, etc.
30. Does this proposal suggest any changes to current requirements that the City Attorney sign off on contracts? Are there currently any contracts that the City Attorney does not review and/or sign off on and if so, which ones?

September 2011 CIP Performance Audit

31. The Department made reference to the CIP Performance Audit by the City Auditor (issued in Sept 2011). Does the Department agree with all the recommendations referenced in that Audit report? If not, what are the specific disagreements and how can they be resolved?
32. The Department's November 2, 2011 Report to the Budget Committee states that some of the changes made as a result of the auditor's report have "materially shortened the time required to award contracts." How much time has been saved (what does the word "materially" mean in this context) and how many CIP contracts were involved in determining that time savings?
33. Were any of the following items proposed by the Department suggested by the City Auditor or recommended in the Auditor's report?
 1. Adjustment of current approval thresholds (CIP related consultants agreements, Change Order Limit, Job Order Contracting Tasks)
 2. Modification of the Municipal Code to allow for a design-build MACC process

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COUNCILMEMBER DAVID ALVAREZ

**City of San Diego
Eighth District**

MEMORANDUM

DATE: January 12, 2012

TO: Honorable City Councilmembers

FROM: Councilmember David Alvarez, Chair, Natural Resources and Culture Committee

SUBJECT: 2012 Natural Resources and Culture Committee Priorities

The Natural Resources and Culture Committee (NR&C) deals with a wide range of issues, many of which go before the full City Council for consideration. As such, it is important that I am aware of your priorities pertaining to NR&C related matters as we head into the next year, including any items from the previous year that you would like to review or receive an update on. Please provide to me your 2012 NR&C priorities by January 24, 2012.

I look forward to working with each Councilmember in the coming year. If you have any questions, please contact me.

**CC: Honorable Mayor Sanders
Andrea Tevlin, IBA**

DA/ks



COUNCILMEMBER DAVID ALVAREZ

**City of San Diego
Eighth District**

MEMORANDUM

DATE: January 5, 2012

TO: Council President Tony Young

FROM: Councilmember David Alvarez, Chair, Natural Resources and Culture Committee

SUBJECT: 2011 Natural Resources and Culture Committee Year in Review

The Natural Resources and Culture (NR&C) Committee considered and discussed myriad topics over the course of 2011. Such topics ranged from water conservation and water delivery infrastructure to a proposed change to SDG&E's rate design proposal. Below is a brief description of some significant items discussed by the NR&C Committee in 2011:

Smart Water Systems for the 21st Century Pilot Project

A major responsibility of the Committee is to oversee the city's public utilities departments (such as water and wastewater services). One area the Committee took a particular interest in is how efficiently the city delivers water to its customers. Something we discovered was that approximately 9% of the water the city purchases is lost in our delivery system due to water leakage. In order to address this problem, we asked that some leaders in the water management industry (IBM, BRADY) address the Committee about the possibility of a pilot program to test new technology that may enable the City to better track and predict water leaks in our city system. At the November 9, 2011, NR&C meeting, the Committee supported initiating this pilot program- at no cost to the City- and by next Spring we should see the results of whether this is a system that could work to help us save water- and help the taxpayers save money. The Committee is looking forward to the results of the pilot program.

Resolution of Support for County Water Authority Litigation against the Metropolitan Water District

The City depends on the San Diego County Water Authority (CWA) for about 90% of its water supply. In turn, CWA relies on the Metropolitan Water District of Southern California (MWD) for most of its water supply through both the purchase of water from MWD and the wheeling of water through MWD facilities that is transferred from the Imperial Irrigation District and the All American & Coachella Canal Lining Project. A primary driver behind increasing water rates in San Diego is MWD's approval of water rate increases totaling 75% since 2006.

CWA is suing MWD to protect San Diego County ratepayers from water rate overcharges that will impact the region's economy and affect statewide water reliability. CWA believes that MWD set rates that overstate the cost of transporting water while undercharging for supply costs. If left unchallenged, these overcharges will cost CWA ratepayers \$31 million in 2011 and as much as \$230 million annually by 2021, while providing cost savings to each of the 25 other member agencies of MWD. CWA allegations include assertions that MWD member agencies held secret meetings to agree on rates and other policies that overcharged San Diego County ratepayers by millions of dollars, while keeping rates low for their own agencies. Additionally, CWA contends that MWD is unconstitutionally denying San Diego County ratepayers access to funds for local supply development projects and conservation programs in retaliation for the CWA's lawsuit and that MWD is under calculating the CWA's preferential right to water, which could affect the San Diego region's future water supply reliability. Payments to MWD for water and transportation comprise 55% of the wholesale cost of water. CWA is disputing \$1.3 - \$2.1 billion in the lawsuit (for over 45 years). The case, which was originally filed on June 11, 2010, has been designated as complex and is assigned to San Francisco County Superior Court Judge Richard Kramer.

On October 19, 2011, NR&C approved resolution in support of CWA litigation, which was later unanimously supported by the City Council on November 7, 2011.

Comprehensive Policy for a Sustainable Water Supply (Council Policy 400-15)

Councilmember Lightner brought forward a series of changes to Council Policy aimed at the creation of a sustainable water supply for the city. Council Policy 400-15 replaces existing Council Policies related to water supply, water conservation and water reclamation. Council Policy 400-15 is a new set of guiding principles for the City Council to make decisions related to water in the City. After discussing the proposed changes at two committee meetings, the NR&C Committee unanimously supported the changes and requested City Council approval. On November, 15, 2011, the City Council unanimously supported the proposed changes. In 2012, the Committee will form a task force to develop an implementation plan for Council Policy 400-15.

Reducing the amount of Expanded Polystyrene and Bottled Water used in various city departments

The NR&C Committee requested a report from the Mayor's office regarding the ability of the City to reduce the amount of expanded polystyrene and bottled water purchased with City funds. There are various negative environmental aspects to the use of expanded polystyrene, as it cannot be recycled when it is soiled with food/dirt and is difficult to recycle even when clean. It

is also a major environmental contaminant, as it easily migrates to storm drains and local waterways. Purchasing bottled water for facilities that have access to clean and safe drinking water is an inefficient use of tax payer dollars and encourages the use of single use plastic bottles. The Committee discussed the matter on May 18, 2011, and the Mayor's office committed to changing the existing administrative code to prohibit the purchase of expanded polystyrene and bottled water using City funds, with some limited exceptions.

72-Hour Water Leak Repair

In an effort to continue to encourage water conservation by San Diegans, the Committee initiated an amendment to the municipal code to require all water customers be required to stop or repair water leaks within 72 hours of discovery. The Committee unanimously approved the municipal code changes and on September 27, 2011, the City Council unanimously approved the revised municipal code section. It is the Committee's belief that this change will not only result in increased water conservation, but will also save customers money on their water bill.

Implementation of Customer Care Solutions (CCS) Water Billing System

In response to many constituents contacting the City Council offices regarding the level of customer service provided by the City's new water billing system (CCS) over the last few months, I scheduled hearing on the matter at the November 9, 2011, NR&C Committee meeting.

The Public Utilities Department (PUD) outlined the problems it has had in converting to the new system, including increased call center queue wait and call duration times, billing errors, and customers' decreased access to service representatives. A number of citizens submitted public testimony regarding their concerns with the new system and PUD staff was present to hear them. The PUD expressed their commitment to addressing the unexpected problems with the conversion to the new system and indicated that they were in the process of hiring temporary staff to handle the resulting increased call volume. The PUD has also assigned a staff member to act as a liaison to assist City Council offices receiving requests for assistance with the issues mentioned above. The Committee will continue to monitor and address this issue in 2012.

San Diego Gas and Electric (SDG&E) Rate Restructuring Design Proposal

The Committee held a hearing on SDG&E's proposal to alter its rate design. The meeting was well attended by various stakeholders, who voiced their opinion regarding the proposal. The Committee was concerned about the impact of the design proposal on customers and moved to request a closed session briefing on the City's protest to the application of SDG&E's authority to update marginal costs, cost application, and electric rate design, including what the implications might be for how this rate design would impact the PACE Program. The City Council was briefed on the matter in closed session on Tuesday, December 6, 2011. The Committee will continue to monitor the progress SDG&E's rate restructuring design proposal in 2012.

Continued Monitoring of Water Purification Demonstration Project (IPR)

The purpose of the City's Water Purification Demonstration Project is to examine the use of advanced water purification technology on high quality recycled wastewater. If successful, this method of water treatment would give the City an alternative option to purchasing expensive imported water.

The Public Utilities Department (PUD) has engaged in a high level of public outreach. They have conducted over 100 tours of the Advanced Water Purification Facility for over 1,000 people. They have actively reached out to local schools and students, as well as to numerous community groups. As of October 2011, more than 82 million gallons of purified water have been produced at the facility and added to the recycled water delivery system.

The Committee was supportive of PUD's outreach efforts in 2011 and will continue to monitor the overall program in 2012.

I am proud of the work done by the NR&C Committee in 2011 and am looking forward to continuing to serve as the chair in the upcoming year.

CC: Honorable City Councilmembers
Honorable Mayor Jerry Sanders
Andrea Tevlin, Independent Budget Analyst
Tom Zeleny, Deputy City Attorney

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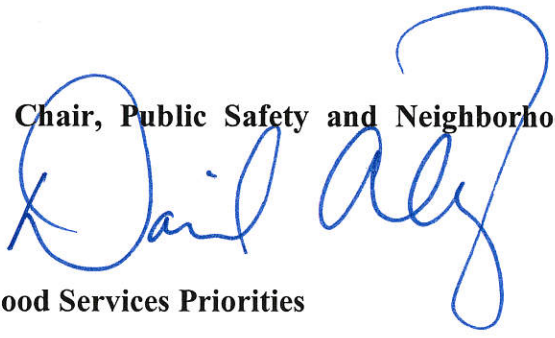
COUNCILMEMBER DAVID ALVAREZ

**City of San Diego
Eighth District**

MEMORANDUM

DATE: January 23, 2012

TO: Councilmember Marti Emerald, Chair, Public Safety and Neighborhood Services Committee

FROM: Councilmember David Alvarez 

SUBJECT: 2012 Public Safety and Neighborhood Services Priorities

In response to your memorandum of January 12, 2012, the following is a list of issues that the Public Safety and Neighborhood Services (PS&NS) Committee should consider this coming year:

- **Update on the Lifeguard Training Program and Relief Staffing:**
 - **Lifeguard Training Program:** Lifeguards perform thousands of water rescues annually. The opportunity to prepare younger lifeguards to learn and take over responsibilities of lifeguards leaving the service is vital. The City must continue training new lifeguards and ensure current lifeguards remain up to date on the most efficient and effective methods of providing life-safety services in the beach areas.
 - **Relief Staffing:** The City employs relief lifeguards so it does not have to pay overtime, fill shifts vacated due to injury, court, military, maternity, illness, vacation, etc. Lifeguards have a very high injury rate and a healthy relief system is vital to their ability to operate efficiently and effectively.
- **Implementation of Citygate Working Group Recommendations:** It is important that the Five-year Citygate Implementation Plan continues to be discussed in context of upcoming budget discussions. This will ensure there is funding identified for future projects, and the plan continues to be updated. The Fire Department should present an

updated implementation plan and provide an update on a revised project list that follows the framework laid out by the Citygate Report.

- **Graffiti Update:** Graffiti is an everyday battle within our communities in San Diego. The graffiti response that we offer to our residents should constantly be evaluated to meet the needs of our residents. The Committee should receive regular updates on the graffiti abatement efforts.
- **HAZMAT Update:** The pilot HAZMAT Program needs to be evaluated in order to ensure that the response time for Fire Station 44 has improved. This should include status reports from HIRT and Ocean Blue Environmental on how the HAZMAT program is operating and if any adjustments need to be made.
- **Police and Fire Academies:** The Police and Fire Departments are currently understaffed due to years of budget cuts. It is important that any open positions are filled quickly and efficiently. As we experience turnover in each department, we must prepare to bring in new recruits via police and fire academies.
- **Civilian Employees in the Police Department:** A great number of civilian positions in the Police Department budget have been eliminated. We need to consider restoring these positions, so our sworn officers can spend more time in the community protecting our neighborhoods.
- **Community Policing:** The presence of community relations officers within our neighborhoods creates a connection between residents and the Police Department. Retention of current community relations officers and any opportunity to increase their presence in the community needs to be considered as we move into the next fiscal year.
- **Neighborhood Parks and Recreation Centers:** Neighborhood parks and recreation centers throughout the City provide safe areas for recreation and family activities. The Committee should identify and prioritize the community parks that receive the most use and therefore require higher levels of upkeep and maintenance.
- **Follow-up on Performance Audit of Police Department Permitting & Licensing:** The Police Department should provide an update on alarm permit fee adjustments and automated records for pawn shop sales. The revocation policy for alarms should be reviewed and appropriately adjusted so police officers are not responding to an excessive amount of false alarms. In addition, the Committee should consider a fee structure for repeat violators. Pawn shops need to begin implementing an automated system to allow for a more efficient process that will reduce staff overtime costs. The cost of this system should be included in the FY 2013 budget.

I look forward to serving on the PS&NS Committee in 2012 and working with each committee member to ensure that the City develops policies and procedures that keep our citizens safe and provides equally high levels of city services to all neighborhoods throughout San Diego.

CC: Honorable Mayor Sanders
Andrea Tevlin, IBA

DA/mm